GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2420
ANSWERED ON:14.12.2015
Shale Oil and Gas
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether open acreage exploitation is under consideration for shale oil and gas and if so, the details thereof;
(b) whether the Government held any discussion regarding price of natural gas with the gas producing States;
(c) if so, the number of States consulted along with any representations from various quarters/States received against the new gas pricing formula introduced by the Government and concrete steps taken by the Government to resolve the issue with States;
(d) whether the government proposes to decontrol the domestically produced natural gas price in order to attract more investment and if so, thereof along with its likely adverse impact on power tariff, fertilizers production. CNG transportation, PNG and LPG cylinders and the action taken by the Government in this direction; and
(e) the details of losses to exchequer due to new gas price formula of natural gas and likely impact on royalty/share of gas producing States including negative for producers like ONGC and Oil India Limited and discourge investments/ production in the sector along with positive steps taken by the Government in this regard?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)
(a): Uniform Licensing Policy (ULP) alongwith Open Acreage Licensing Policy based on Revenue Sharing Model is under consideration of the Government.
(b) & (c): No specific consultations regarding price of natural gas were carried out with the gas producing states. (d): There is no proposal at present to decontrol the price domestically produced natural gas.
(e): The Government's revenue would be dependent on the gas price which is revised every six months as per the formula contained in the New Domestic Natural Gas Pricing Guidelines, 2014. The price of the domestically produced natural gas may increase or decrease depending upon the prices prevailing at the concerned hubs/market to which price at the domestically produced natural gas is linked as per the New Domestic Gas Pricing Guidelines. As a result Government revenue and revenue of producers like Oil & Natural Gas Corporation Limited and Oil India Limited may also increase or decrease.
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